

1 East Asia

East Asia consists of a variety of nations: countries such as the Republic of Korea and Singapore, which have attained high economic growth and have already shifted from aid recipients to donors; least developed countries (LDCs) such as Cambodia and Laos; countries such as Indonesia and the Philippines, which still have internal disparities despite their dramatic economic growth; and countries such as Viet Nam, which are shifting to a market

<Japan's Efforts>

Japan has contributed to the remarkable economic growth in East Asia by implementing development cooperation that combines ODA with trade and investment, including the development of quality infrastructure (socio-economic foundations), development of institutions and human resources, promotion of trade, and revitalization of private investment. In recent years, Japan aims to further enhance open regional cooperation and integration while sharing basic values, to promote mutual understanding, and to maintain consistent regional stability. Therefore, Japan has made efforts to proactively provide assistance in areas such as disaster risk reduction,

●Support for Southeast Asia

The member states of the Association of Southeast Asian Nations (ASEAN)¹ are pivotal countries for Japan on both the political and economic fronts, as they are located on its sea lanes and have strong economic ties with Japan, with many Japanese companies entering the region's markets. In 2015 the ASEAN Community, which aims for an inclusive society and a single market covering 600 million people, was established, and ASEAN has been strengthening connectivity and narrowing the development gaps within the region. In light of ASEAN's efforts, Japan provides ODA support in a range of areas based on the pillars of strengthening connectivity and narrowing the development gaps. These areas include infrastructure development, strengthening the rule of law, maritime safety, disaster risk reduction, health and medical care, and peacebuilding.

With regard to strengthening connectivity, at the ASEAN Summit Meetings held in 2016, ASEAN adopted the "Master Plan on ASEAN Connectivity 2025,"* which succeeds the "Master Plan on ASEAN Connectivity" that aimed to strengthen "Physical connectivity," "Institutional connectivity," and "People-to-people connectivity" in the region. Japan will continue to support ASEAN connectivity based on this new document.

In 2013, which marked the 40th year of ASEAN-Japan friendship and cooperation, the "Vision Statement on ASEAN-Japan Friendship and Cooperation" was adopted

economy. Japan has close relationships with these countries in all aspects of politics, economy, and culture, hence the development and stability of the region significantly impacts the security and prosperity of Japan as well. From this perspective, Japan is engaging in development cooperation activities that respond to the diverse socio-economic circumstances of East Asian countries and to the changes in the type of development cooperation required.

environment and climate change, strengthening the rule of law, health and medical care, and maritime safety, in parallel with the assistance for developing infrastructure. Japan is also working to promote mutual understanding through large-scale youth exchanges, cultural exchanges, and projects to disseminate Japanese language education.

In order for Japan and other East Asian countries to achieve further prosperity, it is important to assist Asia to become "a center of growth open to the world." Accordingly, Japan is providing assistance to strengthen Asia's growth and to expand domestic demand in each country.

at the ASEAN-Japan Commemorative Summit Meeting held in Tokyo. The statement presented a medium- to long-term vision for deepening ASEAN-Japan relations. On this occasion, Japan pledged ¥2 trillion of ODA assistance over five years. In the area of disaster risk reduction, Japan has conducted the "Basic Data Collection Study on Building Disaster and Climate Resilient Cities in ASEAN" since 2015, and the "Basic Data Collection Study on System and Policy Frameworks for the Integration of Disaster Risk Mitigation and Climate Change Adaptation in ASEAN" since July 2016. In order to implement these studies, Japan organized fieldwork, workshops, and fora for the 10 ASEAN member states, through which it provided support for strengthening systems, formulating implementation plans, and developing implementation tools with the aim of promoting the building of cities that are resilient against natural disasters, and the integration with disaster risk reduction that is adapted to climate change. These outcomes were approved by the ASEAN Committee on Disaster Management (ACDM), and reported to the ASEAN Ministerial Meeting on Disaster Management. Furthermore, Japan has advanced individual support tailored to the needs of each country, and in 2016, launched the Project for Strengthening the ASEAN Regional Capacity on Disaster Health Management for the entire ASEAN region. Going forward Japan is strengthening coordination systems related to disaster

Note 1: ASEAN member states: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam (however, Singapore and Brunei are not ODA recipients).

healthcare in the ASEAN region.

In terms of infrastructure development, Japan underscores the importance of “quality infrastructure investment” based amongst others on its experience with its assistance for Southeast Asian countries. At the Japan-ASEAN Summit held in 2015, Prime Minister Abe announced the follow-up measures to the Partnership for Quality Infrastructure,² which fundamentally and systematically expanded it through improvements of Japan’s ODA loans and Private-Sector Investment Finance including the acceleration of procedures of Japan’s ODA loan and the establishment of new types of Japan’s ODA loans, greater collaboration with the Asian Development Bank (ADB), and structural reforms and management improvements to the Japan Bank for International Cooperation (JBIC) and Nippon Export and Investment Insurance (NEXI).

Furthermore, prior to the G7 Ise-Shima Summit held in 2016, Prime Minister Abe announced the Expanded Partnership for Quality Infrastructure, and declared that Japan would aim to provide financing of approximately \$200 billion as the target for the next five years to infrastructure projects across the world including in Asia, and at the same time to advance further systematic reforms.

Moreover, with the belief that infrastructure development and development of the industrial human resources that would establish and upgrade the key industries of each country are essential for sustainable growth in Asia, Prime Minister Abe announced at the Japan-ASEAN Summit Meeting in 2015 the Industrial Human Resource Development Cooperation Initiative, under which Japan would assist in the development of 40,000 industrial human resources over the next three years. By March 2017, Japan has developed more than 49,000 industrial human resources in the Asian region. Going forward, Japan continues to actively support the development of industrial human resources in Asia. In addition, on the occasion of the ASEAN Summit in 2016, Japan announced the launch of the Innovative Asia project from FY2017, under which Japan would encourage innovation throughout Asia, including Japan, through ODA support. The project supports the circulation of advanced human resources between Asian countries including ASEAN and Japan, through study programs at Japanese universities or other institutions and internships at Japanese companies, etc. This announcement was welcomed by ASEAN countries.

Regarding the Mekong region which is particularly rich in potential among the ASEAN countries,³ Japan established the assistance policies for this region at the Mekong-Japan Summit Meeting held in Japan (around

once every three years) whereas the Mekong-Japan Summit Meetings are held annually.

Based on the “New Tokyo Strategy 2015” adopted at the Seventh Mekong-Japan Summit Meeting held in 2015, the Mekong-Japan cooperation is currently under way around the following four pillars: (i) Industrial infrastructure development in the Mekong region and strengthening “hard connectivity” within the region and with the surrounding regions; (ii) Industrial human resource development and strengthening “soft connectivity”; (iii) The realization of a Green Mekong;⁴ and (iv) Coordination with various stakeholders. At the Ninth Mekong-Japan Summit Meeting held in Manila, the Philippines, in November 2017, leaders of the Mekong countries expressed their appreciation to Japan for its contributions, while highly evaluating the smooth progress of cooperation based on the “New Tokyo Strategy 2015,” including the implementation of two-thirds or more of the ¥750 billion of ODA support over three years announced in 2015. In particular, during the past year, Japan has made progress in cooperation on infrastructural development including the Sihanoukville Port in Cambodia, Yangon-Mandalay Railway in Myanmar, and the high-speed rail project in Thailand.

In August 2017, Foreign Minister Kono attended the Tenth Mekong-Japan Foreign Ministers’ Meeting held in Manila, the Philippines, as a chair. During the meeting, he made the remarks that many projects are smoothly implemented under the “New Tokyo Strategy 2015” which was in its second year. He also mentioned that there is progress of initiatives contributing to the strengthening of regional connectivity in both the “hard” (physical) and “soft” (non-physical) aspects. For example, the improvement project of the National Road No. 5, which forms the Southern Economic Corridor, has been implemented over



The 10th Mekong-Japan Foreign Ministers’ Meeting was held in Manila, the Philippines, in August 2017, with Foreign Minister Kono presiding over the meeting as the chair.

Note 2: The pillars of the content of the Partnership for Quality Infrastructure are (i) Expansion and acceleration of assistance through the full mobilization of Japan’s economic cooperation tools, (ii) Collaboration between Japan and the ADB, (iii) Measures to double the supply of funding for projects with relatively high risk profiles by such means as the enhancement of the function of the JBIC, and (iv) Promoting “quality infrastructure investment” as an international standard.

Note 3: Countries in the Mekong region (Cambodia, Laos, Myanmar, Thailand, and Viet Nam)

Note 4: An initiative between Japan and the Mekong region countries designed to create a “Green Mekong” filled with greenery, rich in biodiversity, and resilient to natural disasters.

the past year, as well as the North-South Expressway construction project improvement project in Cambodia that forms the Southern Economic Corridor as well as the North-South Expressway construction project in Viet Nam. In addition a “Memorandum of Cooperation between the Ministry of Foreign Affairs of Japan and the Ministry of Foreign Affairs of the Kingdom of Thailand” has been concluded.

Taking into account that Myanmar has been making significant progress to advance democratization among the Mekong region countries, in 2012, Japan reviewed economic cooperation policy in order to back up the rapid process of its reform efforts, and provided a wide range of assistance to Myanmar, based on the following three pillars: (i) Improving quality of life of the nationals including assistance for ethnic minorities; (ii) Assistance for legal and judicial systems development, and human resource development; and (iii) Infrastructure development. In particular, Japan is offering cooperation at the public and private levels to develop the Thilawa Special Economic Zone (SEZ) located in the suburbs of Yangon, Myanmar’s largest city, while the Government of Japan is contributing to the development of the surrounding infrastructure through ODA. As of September 2017, 85 companies from around the world (of which 43 are Japanese companies)



Entrance to the Thilawa Special Economic Zone that is being developed in the suburbs of Yangon, a commercial city of Myanmar (Photo: Shinichi Kuno / JICA)

have started their business in the SEZ, while 37 companies (of which 28 are Japanese companies) have already commenced operations. This is a successful example which shows how Japan’s “quality infrastructure investment” is gathering trust of the world.

Furthermore, when State Counsellor of Myanmar Aung San Suu Kyi visited Japan in 2016, Prime Minister Abe announced that Japan would make a contribution of ¥800 billion at the public and private levels over five years from FY2016. This is based on Japan’s policy providing full-fledged support by bringing together the public and private sectors for the consolidation of democratization, national reconciliation, and economic development in Myanmar, along the Japan-Myanmar Cooperation Program.* As a part of that, it was also announced that Japan would provide support of ¥40 billion over the same five years for areas with ethnic minorities in order to support the progress of national reconciliation. Through the Japan-Myanmar Cooperation Program, Japan will provide assistance for balanced development in rural and urban areas by harnessing its knowledge and experience while taking into consideration the situation on the ground in Myanmar. Also, Prime Minister Abe noted that Japan plans to implement people to people exchanges and human resources development for approximately 1,000 people annually to help in nation building.



State Minister for Foreign Affairs Kazuyuki Nakane at a commemorative photo-taking session with local dignitaries, during an inspection of the Siem Reap Water Treatment Plant in Cambodia in January 2018

Glossary

*Master Plan on ASEAN Connectivity 2025

This is the action plan for strengthening ASEAN connectivity that was adopted in the ASEAN Summit Meeting in 2016 as the successor document to the Master Plan on ASEAN Connectivity which sets 2015 as its goal year (adopted in 2010). It consists as a part of “ASEAN 2025: Forging Ahead Together,” which was adopted in 2015. The document stipulates the five major strategies of “sustainable infrastructure,” “digital innovation,” “seamless logistics,” “regulatory excellence,” and “people mobility,” and presents priority initiatives under each of the strategies.

*Japan-Myanmar Cooperation Program

This program extracts issues to be tackled with priority in nine major sectors that are important for the development of Myanmar: (i) Agriculture and agricultural infrastructure development in rural areas, (ii) Enrichment of education widely accessible to the people, and job creation in line with industrial policies, (iii) Urban manufacturing accumulation and industrial development, (iv) Strengthening of transportation infrastructure to connect urban and rural areas, (v) Energy cooperation to enable industrial development, (vi) Urban development/urban transport, (vii) Cooperation for the improvement of the financial sector (policy-based finance/private finance), (viii) Telecommunications, broadcasting and postal services as tools to connect people, and (ix) Improvement of the health sector, which is directly linked to people’s lives.

● Relations with China

In 1979, Japan began providing ODA for China as one of the pillars of the Japan-China relationship. However, the provision of ODA loans and General Grant Aid, which accounted for a large share of Japan's ODA to China, was terminated approximately ten years ago based on the recognition that it had already achieved a certain effort in light of the economic development and improvement of the technology level of China, while ODA loans for existing projects have already been fully disbursed. We recognize that Japan's past assistance has contributed to the stable growth of the Chinese economy, and by extension, made a considerable contribution to the stability of the Asia-Pacific region, as well as to improving the investment environment in China for Japanese companies and deepening the economic ties between the two countries' private sectors.⁵

Currently, ODA to China is implemented to a very limited degree only in areas with genuine need for cooperation, such as cross-border pollution, infectious diseases, and food safety, which directly affect the lives of the Japanese people. Technical cooperation is the main form of cooperation (disbursements of ¥500 million in FY2016),⁶ while Grant Assistance for Grass-Roots Human Security Projects is also being implemented

(disbursements of ¥29 million in FY2016).⁷

With regard to technical cooperation, for example, Japan is implementing projects to tackle environmental problems focused on air pollution, including PM2.5, which could have an impact on Japan, and projects to support the drafting of civil laws, patent laws, etc. in China that contribute to facilitating the business activities of Japanese companies operating in China.

Furthermore, as a new form of cooperation that takes into account the economic development of China, Japan has recently been providing cooperation in which its costs are borne by China. For example, in the area afflicted by the Lushan earthquake that occurred in Sichuan Province in 2013, Japan supported China's disaster risk reduction education and construction of disaster risk reduction centers by sharing information on Japan's disaster countermeasures and providing instruction regarding quake-resistant and seismic isolation technologies, with China bearing the costs of the support.

Regarding Grant Assistance for Grass-Roots Human Security, Japan has primarily assisted in preventing the burning of fields that causes air pollution, and supported female migrant workers towards promoting the social advancement of women.



■ The Project for Curriculum Reform at Primary Level of Basic Education

Technical cooperation project (May 2014 -)

Since the power transfer to a civilian government in 2011, Myanmar has undergone a large-scale educational reform including revisions of laws and school systems, with the aim of fostering academic levels comparable to international standards. Japan has been providing assistance for spreading a child-centered educational approach to promote student-led learning in Myanmar since it joined the Association of Southeast Asian Nations (ASEAN) in 1997. On the other hand, as most textbooks used in classes are outdated and have not been revised in nearly 20 years, the rote memory based teaching approach and tests have been obstacles to the child-centered education.

The Project for Curriculum Reform at Primary Level of Basic Education launched in 2014 supports training for instructors of teachers' education programs as well as the development of new curriculum, textbooks, instructional manuals, and evaluation tools that are used by these instructors in order to effectively implement child-centered education. For this project, a curriculum development team consisting of education experts from Japan and Myanmar is jointly working on developing textbooks and teacher's instructional manuals for all grades of primary school (primary education in Myanmar is five years, from grade 1 through 5), including all 10 subjects (Myanmar language, English, arithmetic, science, social studies, physical education, moral and civil studies, music, art, and life skills). As a result, all 1.3 million new first graders throughout Myanmar



Students learning with brand new textbooks using the new curriculum (Photo: JICA)

started school with brand new textbooks in June 2017.

Prior to the adoption of the new textbooks, teacher training was held to introduce the new primary education curriculum between January and May of 2017, which was attended by a total of 100,000 teachers across the entire country. Also, from June of the same year, training has been conducted for instructors and students of teachers' education programs across all 25 teachers' education schools.

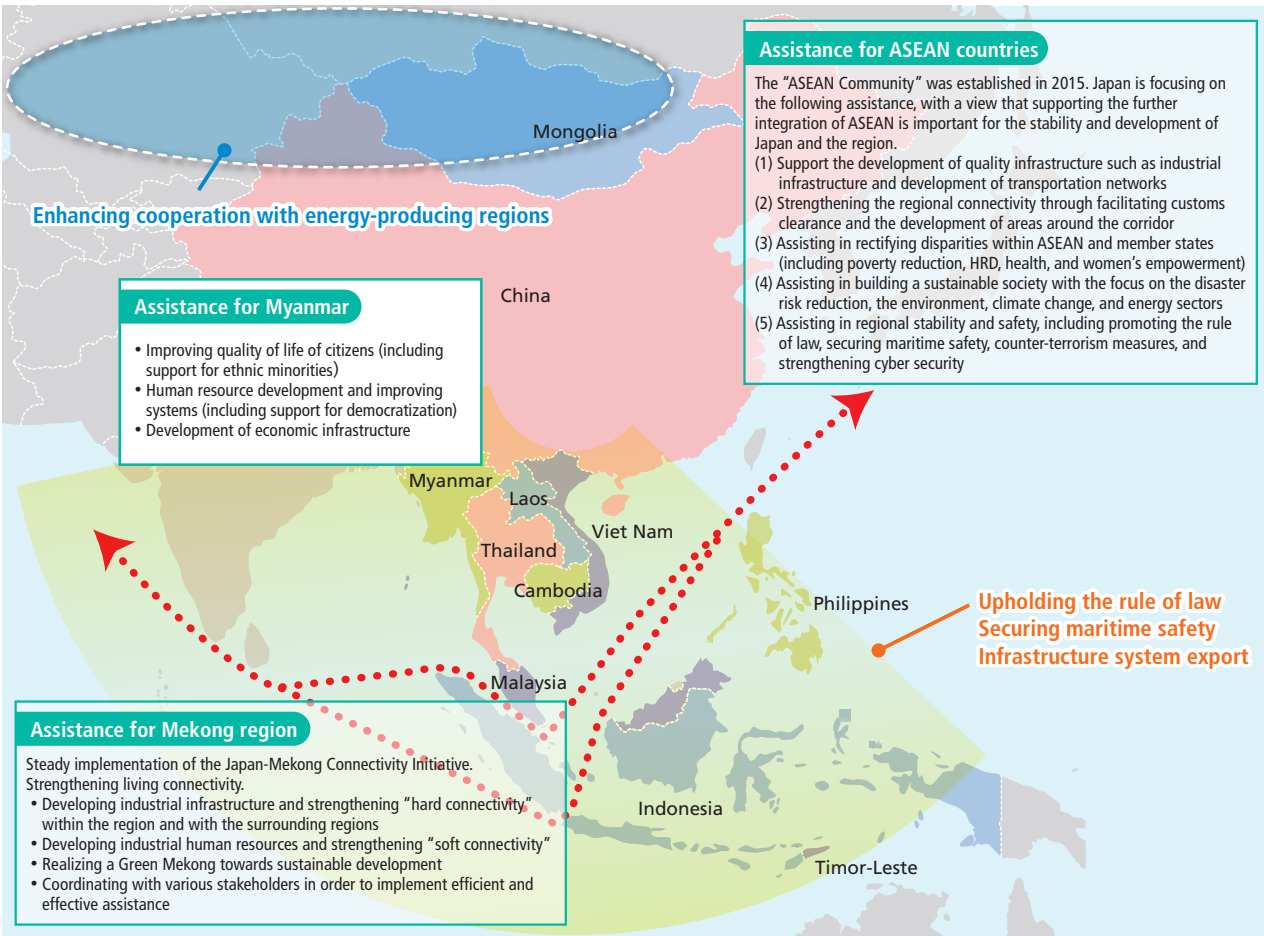
Support for the educational sector directly influences the foundation of a nation's development. In this sense, it is a very valuable that Japan supports the curriculum revision and textbook drafting process for Myanmar's primary education. Going forward, Japan will continue to support the development of Myanmar by helping to improve its quality of education.

Note 5: The cumulative totals until FY2016 were as follows: Loan aid ¥3.3165 trillion (commitment base); grant aid ¥157.6 billion (commitment base); and technical cooperation ¥184.5 billion (amount disbursed by JICA). (However, the new provision of ODA loan and General Grant Aid has already been terminated)

Note 6: Disbursements of technical cooperation in recent years
¥3.296 billion (FY2011), ¥2.527 billion (FY2012), ¥2.018 billion (FY2013), ¥1.436 billion (FY2014), ¥806 million (FY2015), ¥500 million (FY2016)

Note 7: Disbursements of Grant Assistance for Grass-Roots Human Security in recent years
¥843 million (FY2011), ¥288 million (FY2012), ¥284 million (FY2013), ¥85 million (FY2014), ¥107 million (FY2015), ¥29 million (FY2016)

Japan's international cooperation policy in the East Asia Region



III
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Chart III-8 Japan's Assistance in the East Asia Region

Calendar year: 2016

(Unit: US\$ million)

Rank	Country or region	Grants				Loan aid			Total (Net disbursement)	Total (Gross disbursement)
		Grant aid		Technical cooperation	Total	Amount disbursed (A)	Amount recovered (B)	(A)-(B)		
		Grants provided through multilateral institutions								
1	Viet Nam	9.28	2.76	95.47	104.75	1,478.72	417.41	1,061.32	1,166.06	1,583.47
2	Myanmar	209.58	37.90	97.96	307.54	199.28	—	199.28	506.82	506.82
3	Thailand	11.10	0.02	24.77	35.87	378.18	302.39	75.79	111.66	414.05
4	Indonesia	7.67	—	59.79	67.46	332.46	1,606.26	-1,273.80	-1,206.34	399.92
5	Philippines	20.64	0.05	61.70	82.34	219.17	512.11	-292.95	-210.60	301.51
6	Mongolia	8.72	0.09	24.36	33.08	158.35	16.14	142.20	175.28	191.43
7	Cambodia	76.04	3.14	33.24	109.28	31.64	4.92	26.72	136.00	140.92
8	Laos	16.62	—	30.35	46.97	16.81	4.97	11.83	58.80	63.77
9	Malaysia	0.05	—	12.08	12.13	35.33	141.85	-106.51	-94.38	47.46
10	Timor-Leste	21.99	6.27	9.43	31.42	5.29	—	5.29	36.71	36.71
11	China	0.98	—	6.03	7.01	20.97	977.12	-956.15	-949.15	27.97
	Multiple countries in East Asia	0.82	0.82	4.32	5.15	—	—	—	5.15	5.15
	East Asia region total	384.56	52.13	459.90	844.45	2,876.20	3,983.18	-1,106.98	-262.52	3,720.66
	(ASEAN total)	352.04	44.95	415.68	767.72	2,691.60	2,989.92	-298.32	469.40	3,459.32

Notes:

- Ranking is based on gross disbursements.
- Due to rounding, the total may not match the sum of each number.
- [—] indicates that no assistance was provided.
- Grant aid includes aid provided through multilateral institutions that can be classified by country.
- Aid for multiple countries is aid in the form of seminars or survey team dispatches, etc. that spans over multiple countries within a region.

- Country or region shows DAC recipients but including graduated countries in total.
- Disbursements under "Multiple countries in East Asia" utilize figures based on the OECD-DAC criteria, and therefore, do not include disbursements for multiple countries, including Myanmar.
- Negative numbers appear when the recovered amount of loans, etc. exceeds the disbursed amount.